
CHAPTER 4. MONITORING AND EVALUATING VOLUNTARY
AFFIRMATIVE MARKETING AGREEMENTS

- 4-1. POLICY. The following monitoring and evaluation procedures shall apply to voluntary plans and agreements as described in this Handbook, except the NARELLO Agreement treated in Section 3-8.
- 4-2. PURPOSE AND PARTIES. A key element of each voluntary affirmative marketing plan or agreement is the monitoring and evaluation process. Monitoring indicates an ongoing review by interested parties to determine how a plan or agreement is working and its areas of weakness. Evaluation implies a periodic assessment through written reports. While HUD's responsibility for monitoring and evaluating these voluntary instruments resides with Area Office FHEO Division Directors, various plans and agreements also involve other parties in the monitoring/evaluation process, e.g.:
- a. The Community Housing Resource Board (Realtors Agreement) or Community Housing Leadership Board (Builder/Developer Agreement), and
 - b. The Housing industry group and/or unit of local government with which HUD signs the instrument, together with their constituent signatories.
- 4-3. PROCEDURE. All parties involved in monitoring should observe such changes as patterns of showing, renting and building in the market area; advertising content and coverage; extent of contact between the housing industry group and community groups; equal housing opportunities in all units marketed or built by industry group signatories; the effectiveness of the group's EO Officer; display of the official HUD Equal Opportunity slogan or logo; group and individual signatory outreach efforts; and all other activities called for in the plan or agreement.
- 4-4. HUD MONITORING THROUGH MONTHLY STATUS REPORT CHECK LIST
- a. Each Office shall maintain an updated list of Voluntary Affirmative Marketing Plans and Agreements within its area of jurisdiction. Opposite each plan and agreement in the listing there should be a space provision for the date it was executed by the Assistant Secretary for FHEO (or the Regional Administrator, should the Assistant Secretary delegate his/her authority to the Regional Administrator), the date

last renewed (or terminated), the date last evaluated, the date its Community Housing Resource/Leadership Board was activated, and the date its CHRB or CHLB last met. (See Appendix K.)

- b. An update of the complete master list shall be sent to the Regional Administrator, Attention: Director, Office of Regional Fair Housing and Equal Opportunity, during the first week of each month.
- c. In updating the list, changes should be made by erasing or "whiting out" any obsolete data from the list, encircling the new date in pencil, adding any new agreements to the bottom of the list, and duplicating copies of the updated master list for distribution. On the following month, penciling around last month's update should be erased.
- d. The Director, Office of Regional FHEO, shall promptly send one copy of the updated lists to the Assistant Secretary (FHEO), Attention: Director, Office of Voluntary Compliance.

4-5. REPORTING REQUIREMENTS.

- a. Based on reports and meetings with the industry group's EO Committee, together with information secured from Community Housing Resource/Leadership Boards, the Area Office FHEO Director will develop annual evaluations of all voluntary plans and agreements that have been in execution for at least six months, and submit them to the Director, Office of Regional Fair Housing and Equal Opportunity. Every such plan and agreement should be evaluated within sixty days prior to its annual anniversary date.
- b. Realtor Agreements are to be reported on Form HUD 941A, Home Builders Agreements on Form HUD 941B. Voluntary Affirmative Marketing Plans that do not exempt signatories from the need to file individual affirmative marketing plans should be reported in brief narrative form in any way that covers the salient commitments of the plan. Upon receipt from the Area Office, one copy of each report should be forwarded by the Director, Office of Regional FHEO to the Assistant Secretary for Fair Housing and Equal Opportunity, Attention: Director, Office of Voluntary Compliance.
- c. Community groups assess progress of a plan or agreement independently and voluntarily, and there are no formal reporting requirements involved.

However, the information that they transmit to the HUD Area Office FHEO Director should be given careful consideration and be incorporated into the annual reports when relevant.

- d. In developing an evaluation report, the Area Office FHEO Director should carefully examine information received from the local industry group source and should seek clarification on any item that appears to be questionable or incomplete.

4-6. TERMINATING SERIOUSLY DEFICIENT VOLUNTARY PLANS AND AGREEMENTS

- a. Advisement of Desirable Corrective Action. During the annual evaluation discussion of a voluntary plan or agreement, the HUD Area Office FHEO Director should bring inadequacies in implementation to the attention of the industry group person or committee responsible for administering the instrument. Should there be two or more serious omissions in implementation for any instrument having an organized CHRB or CHLB, the Area Office FHEO Director should write a letter to the industry group recapitulating the points of inadequacy, placing special emphasis on the serious points. (See Para. g below). In this letter, the Director should also indicate a willingness to consult with the group's EO Committee, or appropriate representative, to develop methods to correct these problems, and request a meeting within 60 days to ascertain how the inadequacies have been corrected.
- b. Letter of Possible Termination. Should the industry group fail to respond to the request for a meeting, after a telephone reminder, or should it indicate an unwillingness to meet, or should the meeting reveal lack of effort to correct the serious inadequacies specified in the HUD letter, the Area Office FHEO Director will communicate lack of corrective progress to the Director, Office of Regional FHEO. The industry group should then be advised through certified mail by the Director, Office of Regional FHEO, that unless the specified inadequacies have been corrected within sixty (60) days of posting of the letter, the HUD Regional Office will recommend termination of the instrument by the Assistant Secretary for FHEO. A copy of that letter of possible termination will be sent to the Assistant Secretary, FHEO, Attention to the Director, Office of Voluntary Compliance.

- c. Action of the Assistant Secretary. Upon receipt of a copy of a letter of possible termination, the Assistant Secretary for FHEO will bring the problem of lack of performance to the attention of the national office of the industry involved, seeking its intervention to secure the corrective action desired.
- d. Recommendation of Termination. Sixty days after the Regional Office posting of a letter of possible termination, the HUD Area Office FHEO Director, within whose jurisdiction the instrument exists, will assess whether the local industry group in question has corrected the serious inadequacies cited in the letter. Lacking correction, the Area Office FHEO Director should recommend termination of the instrument to the Director, Office of Regional FHEO. The latter may independently verify whether adequate corrective action has been taken. Should the Director, Office of Regional FHEO, determine that the serious inadequacies cited have not been remedied, he/she, through the Regional Administrator, should recommend termination of the instrument to the Assistant Secretary, FHEO.
- e. Termination by the Assistant Secretary, FHEO. Upon receipt of a recommendation to terminate a seriously deficient voluntary plan or agreement from a Regional Administrator, the Assistant Secretary for FHEO will communicate his/her decision on termination to the Regional Administrator, the president of the national industry group association, and the president of the local housing industry group.
- f. Exception to the Above Procedure. Should any seriously deficient plan or agreement in execution contain a corrective and termination provision at variance with the above procedure, the corrective procedure contained in the instrument itself will be invoked.
- g. Examples of Serious Deficiencies. The following constitute examples of serious deficiencies in instrument implementation:
 - (1) Realtors' Agreement
 - (a) The Board has made no provision to monitor its own commitments and those of signatory firms under the agreement.

- (b) Principles and procedures of office management designed to prevent racial steering have not been disseminated by the Board to its members.
 - (c) The Board has not developed an informational program on the Agreement and fair housing laws for its member firms.
 - (d) The Board does not regularly place an affirmative marketing ad in a local newspaper of general circulation on a quarterly basis.
- (2) Home Builders' Agreement
- (a) Builder group has made no provision to monitor its own commitments and those of signatory firms under the Agreement.
 - (b) Builder group has not regularly submitted to the HUD Area Office, on a quarterly basis, a rental and sales occupancy report and a description of all actions taken by the builder group to implement its commitments under the Agreement.
 - (c) Builder group has made no provision to instruct the employees of signatory firms on fair housing laws and their responsibilities under the Agreement.
- (3) Any Voluntary Plan
- (a) Industry group has made no provision to monitor commitments made under the Plan.
 - (b) Industry group has not executed most of its own commitments under the Plan.